

**TENNESSEE HOUSING DEVELOPMENT AGENCY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2000 AND JUNE 30, 1999**  
**(Expressed in Thousands)**

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Operating income	\$ 19,932	\$ 8,990
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	980	801
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	5,024	(3,540)
(Increase) decrease in mortgage interest receivable	(993)	717
(Increase) decrease in first mortgage loans receivable	(289,064)	(32,667)
(Increase) decrease in deferred charges	107	(109)
(Increase) decrease in other receivables	3	2
Increase (decrease) in warrants payable	466	89
Increase (decrease) in accounts payable	(2,362)	2,105
Increase (decrease) in due to primary government	1	(455)
Increase (decrease) in deferred revenue	1,413	206
Investment income included as operating revenue	(31,118)	(27,616)
Interest expense included as operating expense	101,935	99,187
Total adjustments	(213,608)	38,720
Net cash provided (used) by operating activities	(193,676)	47,710
Cash flows from non-capital financing activities:		
Operating grants received	39,046	39,208
Taxes received	-	18,585
Negative cash balance implicitly financed (repaid)	(5,254)	6,377
Proceeds from sale of bonds	513,974	313,407
Proceeds from issuance of notes	31,180	82,480
Operating grants paid	(52,036)	(50,806)
Cost of issuance paid	(1,070)	(416)
Principal payments	(357,693)	(414,634)
Interest paid	(88,154)	(95,184)
Net cash provided (used) by non-capital financing activities	79,993	(100,983)
Cash flows from capital and related financing activities:		
Acquisition of fixed assets	(16)	(24)
Net cash used by capital and related financing activities	(16)	(24)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	218,191	731,992
Purchases of investments	(281,286)	(668,310)
Investment interest received	35,840	38,934
Net cash provided (used) by investing activities	(27,255)	102,616
Net increase (decrease) in cash and cash equivalents	(140,954)	49,319
Cash and cash equivalents, July 1	260,892	211,573
Cash and cash equivalents, June 30	\$ 119,938	\$ 260,892
Noncash investing, capital, and financing activities:		
Disposition of fixed assets	\$ -	\$ 96
Accretion of deep discount bonds	5,783	6,693
Cost of Issuance	2,027	1,593
Total noncash investing, capital, and financing activities	\$ 7,810	\$ 8,382

The Notes to the Financial Statements are an integral part of this statement.